DON Purchase Card Program
Training Stand-Down Day

Stand-Down Day Agenda

- Introduction
- Opening Remarks - Mr. Larry Glasco
- GAO Audit Summary
- Policies & Procedures - Existing & New
- Awareness of Misuse, Abuse, and Fraudulent Use
- DON PC Support Tools
- Review of Activity's IOP
- Discussion and Q&A
- Introduction to CD-ROM Training

DON Purchase Card Training CD-ROM

NAVSUP Executive Director
Mr. Larry Glasco

Purchase Card Program Stand-Down Day

- Policies & Procedures

- Vigilance & Awareness

- Accountabilit y

DON Purchase Card Program Training
Opening Remarks

GAO Audit Summary

GAO Audit Summary

- Background
  - Audit of PC Program at two DON activities
  - Audits conducted July 2000 through June 2001

- General Findings
  - Breakdown of Internal Controls
    - Four Key Weaknesses

- GAO announced expanded audit to encompass all of DOD June 2001

GAO Audit Findings
Four Key Weaknesses

1. Proliferation of Purchase Cards Resulting in Unmanageable **Span of Control**

2. Deficient Policies for **Rebate Management**

3. Employees Did Not Have **Documented** Evidence of **Timely Training**

4. Management Did Not Effectively Use **Internal Reviews and Audits**

Policies & Procedures
Existing and New

Policies & Procedures

- Existing Policies and Procedures
  - NAVSUPINST 4200.94
  - DON Policy Letters
  - APC Oversight Responsibilities

- Key Issues Under Review
  - Span of Control
  - Separation of Functions
  - Proliferation of Cards
  - Property Accounting

NAVSUPINST 4200.94

- What:
  - **THE** DON Purchase Card Policy

- Where:
  - NAVSUP Website: www.navsup.navy.mil
  - DON Purchase Card Training CD-ROM

- Who:
  - All DON Purchase Card Participants
  - APCs, AOs, Cardholders, FM
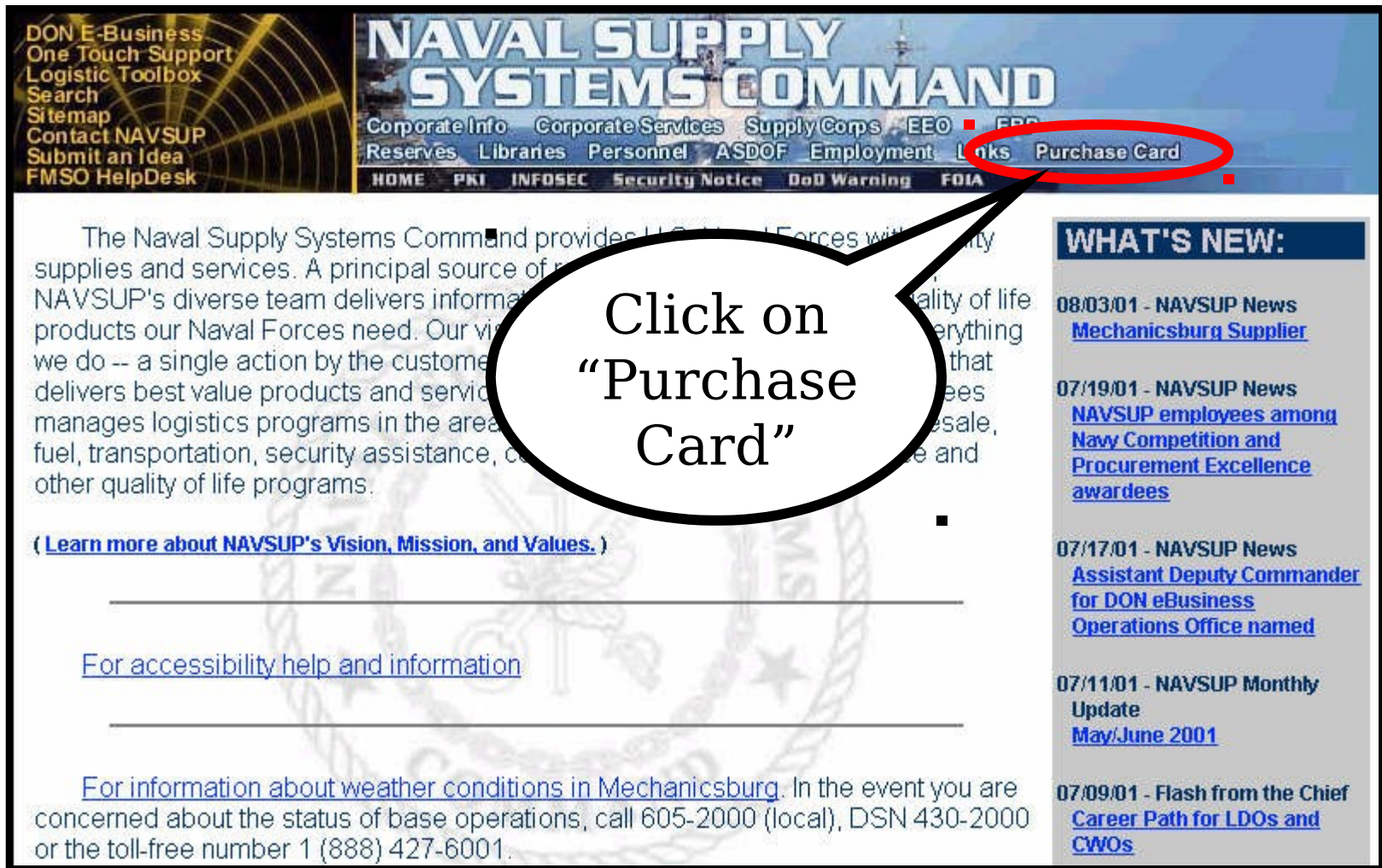
NAVSUPINST 4200.94

- *Chapter 1:* General Policies and Procedures
  - Scope
  - Policies
  - Definitions
  - Managing Purchase Card Programs
  - Financial Management Reqmts for Purchase Card
  - Transportation Consideration for Purchase Card

- *Chapter 2:* Letters of Agreement
- *Chapter 3:* Accommodation Checks
- *Chapter 4:* Use of the Governmentwide Purchase Card as a Method of Payment

- *Enclosure 1:* List of Prohibited and Special Attention Items.

DON Policy Letters

- What Are They?
  - Interim changes to NAVSUPINST 4200.94
- Why Are They Issued:
  - Implement policy issued by DOD, ASN, FMO, etc.
  - Identify Navy-Specific Issues
- Where Can You Find Them:
  - NLL (Naval Logistics Library)

    http://www.nll.navsup.navy.mil/

  The NLL index is searchable by policy group, key word and/or year issued.

NAVSUP Home Page

www.navsup.navy.mil

Purchase Card Index Page

Purchase Card Index

Note: Review the SAP webpage for FY Summary, including list of restric...

- CitiDirect
- Release Highlights
- News, Policy, Message Updates, etc.
- Account Information
- CitiBank Forms
- Guides
- Major Claimant / Level 3 POCs
- DON Purchase Card Discussion Group
- Links to Purchase Card Related Sites
- Presentations and Training Materials
- Purchase Card Automation (CitiDirect)
- Purchase Card Periodic Notices
- Archive
- CitiDirect 1.3 Quick tips
- Major Claimant Conference briefs April 10, 11

Click on "Links to PC Related Sites"

Purchase Card Related Sites Page

Contract Management Library Page

Naval Logistics Library
Contract Management Library

Welcome to the Contract Management Library (CML). Please feel free to browse or search using this friendly menu of options. As an added convenience, all enclosures have been added to the original base document. This allows for a single query retrieval of the base document and all associated enclosures in one easy step.

Policy Group `DON Purchase Card Policy`
Optional Keyword [   ]
Select a Year `All` (Represents Fiscal Year)
Sorted by `Descending`
[Search] [Reset]

Contact Jody Johnston at 717.605.7294. regarding (CML) related questions.
For Information on Changes to the Contract Management Library, Read Memo

REGISTER TO AUTOMATICALLY RECEIVE NOTIFICATION OF NAVSUP
Email Jody Johnston with your request to be notified of posting of policy letter

Home | FAQ | Feedback | Password | Recipes | Contact | Fun | Who Are We

Features: Purchase Card | Postal Program | Download Info | Links | NAVSUP E-mail Distribution
Hosted by: Naval Supply Systems Command, 5450 Carlisle Pike, Mechanicsburg, PA.
For technical questions only, email the Webmaster or call 1-888-253-2602

Select "DON Purchase Card Policy" and Click on "Search"

Purchase Card Policies Page

Naval Logistics Library
Contract Management Library

Records **1** to **19**

All files listed below are in Adobe PDF format. Users need a free PDF Reader available at Adobe

#	Number	Document Title (First 50 Characters)	Size
1	PC01-12	THE BERRY AMENDMENT (10 U.S.C.2241.NOTE)	139KB
2	PC01-08	DON PURCHASE CARD FRAUD PROCEDURES	180KB
3	PC01-07	DON POLICY FOR ISSUING THE GOVERNMENTWIDE PURCHASE CARD ACROSS COMMANDS, CLAIMANCIES AND A...	112KB
4	PC01-05	VENDOR SHIPMENTS TO OCONUS LOCATIONS	74KB
5	PC01-04	ESTABLISHING LETTERS OF AGREEMENTS WITH...	
6	PC01-03	PROCURING ENVIRONMENTALLY PREFERAB...	
7	PC01-02	DON POLICY REGARDING FOREIGN NATION...	
8	PC01-01	AUTHORIZING THE USE OF THE PURCHASE C... FOR UTILITY CHARGES	
9	PC00-12	USE OF THE PURCHASE CARD WITH TRANSPORTATI... TRANSPORTATION SERVICES	
10	PC00-10	CONFIDENTIAL FINANCIAL DISCLOSURE REPORT (OGE FORM 450)	121KB
11	PC00-09	OVERSEAS USE OF THE PURCHASE CARD	215KB
12	PC00-08	PURCHASE CARD MERCHANT CATEGORY CODES	67KB

Click on Policy to View with Adobe Acrobat Reader

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Recent Policy Letters

- PC01-01 AUTHORIZING THE USE OF THE PURCHASE CARD AS A METHOD OF PAYMENT FOR UTILITY CHARGES

- PC01-03 PROCURING ENVIRONMENTALLY PREFERABLE PRODUCTS

- PC01-05 VENDOR SHIPMENTS TO OCONUS LOCATIONS

- PC01-07 DON POLICY FOR ISSUING THE GOVERNMENTWIDE PURCHASE CARD ACROSS COMMANDS, CLAIMANCIES AND AGENCIES

- PC01-11 DON Purchase Card FRAUD PROCEDURES

- PC01-12 THE BERRY AMENDMENT (10 U.S.C. 2241.NOTE)

APC Responsibilities

- Development of Activity's IOP

- Training of all PC Program Participants

- Conduct Semi-Annual Reviews

- Documentation Requirements
  - Training
  - Reviews
  - Corrective Action
  - CH/AO Transaction Documentation

APC Responsibilities (Continued)
CH/AO Documentation Template

Each individual transaction should have the following documentation:

- CH Documentation:
  - Purchase Request Document (if applicable)
  - Receipt/Acceptance Document
  - Cardholder Purchase Card Log
  - Cardholder Statement

- AO Documentation:
  - AO Statement with Certification Statement
  - Record of Payment (optional)

Key Issues Under Review
Span of Control

- The appropriate allocation of resources to allow AOs to perform their duties accurately and completely is central to the vigilance the program requires. Billing officials are our first line of defense against fraud, waste and abuse. If they have too many CHs under their purview there is no way they can perform the required reviews and certifications of CH purchases.

- Current Guidance, Rule of Thumb is 5-7 Cardholders per AO. Inadequate span of control leaves the government vulnerable to fraudulent, improper and abusive purchases.

Separation of Functions

- The Issue: CHs were found to be ordering *and* receiving/accepting goods and services.

- NAVSUPINST 4200.94 requires a minimum two way separation of functions, i.e. one person making the purchase and one person receiving and accepting the goods.

Proliferation of Cards

- The Issue: A proliferation of CHs resulting in unreasonable span of control.

- Only those personnel with a continuing need to purchase goods or services as part of their job should be CHs. Not every CH needs to have the maximum transaction or monthly limit.

Key Issues Under Review (Continued)
Property Accounting

- The Issue: Failure to record PC transactions in local property records.

- COs, FMs, & Property Managers are responsible for ensuring activity compliance with the DoD/DON property guidance.

- Pilferable items or sensitive items such as computers, cameras, cell phones, should be properly accounted for.

  CONTACT YOUR PROPERTY MANAGEMENT OFFICE FOR SPECIFIC GUIDANCE

Awareness of Misuse, Abuse, and Fraudulent Use

Awareness of Misuse, Abuse and Fraudulent Use of the PC

"Questionable Transactions"

- Include:
  - Improper Transactions
    - Misuse
    - Abuse
  - Potentially Fraudulent Transactions

Ask yourself these questions!

1. Are the items required to fulfill immediate mission requirements?

2. Does the purchase exceed my approved spending limits?

3. Are the items for my personal use or the personal use of the receiving individual?

4. Are the purchased items specifically prohibited by NAVSUP 9400.94? (Ex: food, promotional items, hazmat)

5. Are these items part of a larger requirement that exceeds $100,000?

6. Has this purchase been split into smaller segments to stay under the micro purchase limit of $2,500?

Credit Card Misuse

It includes:
- – items not required to meet minimum mission requirements,
- – procurement of prohibited items; and
- – purchases that exceed purchaser authority

Example: You have a requirement for ballpoint pens for your office. You order 48 Waterman pens at a cost of $15 each in lieu of the Papermate pens available at a cost of 89 cents each.

Problem: *Minimum* mission requirements

Credit Card Abuse

Almost like misuse, but more blatant in nature, generally, it includes:

- Procurement of items that may be appropriate except for underlying details such as price unreasonableness
- Repeated and knowing misuse
- Split purchases

Example: You've been asked to purchase a new briefcase for everyone in the office to use, as needed. You purchase a beautiful designer briefcase at a cost of $1,000.00

Problem: Price Reasonableness?

Potentially Fraudulent Use

Generally speaking, includes 3 criteria:
- – A willful act
- – Intended to deceive or cheat
- – Bringing financial gain to oneself

Example: Your husband wants an expensive clock for his birthday, so you use the Government Purchase card and place an order over the telephone . . . The clock arrives at your home just in time for the party.

Problem: Personal Use

Fraud is a Crime!

Misuse, Abuse, and Fraudulent Use of the PC
(Continued)

Responsibility/Accountability:

- Every individual involved in the DON PC Program is personally accountable for strict adherence to DON PC policies and procedures.

- CHs, AOs and APCs each carry specific responsibilities which are clearly delineated in Navy policies. You are expected to know your role and to adhere to the governing policies.

Misuse, Abuse, and Fraudulent Use of the PC
(Continued)

Potential Consequences for both civilian and military personnel:

- Revocation of the purchase card

- Reprimand

- Suspension

- Termination

- Criminal Prosecution

- Notation in performance evaluation

DON Purchase Card Support Tools
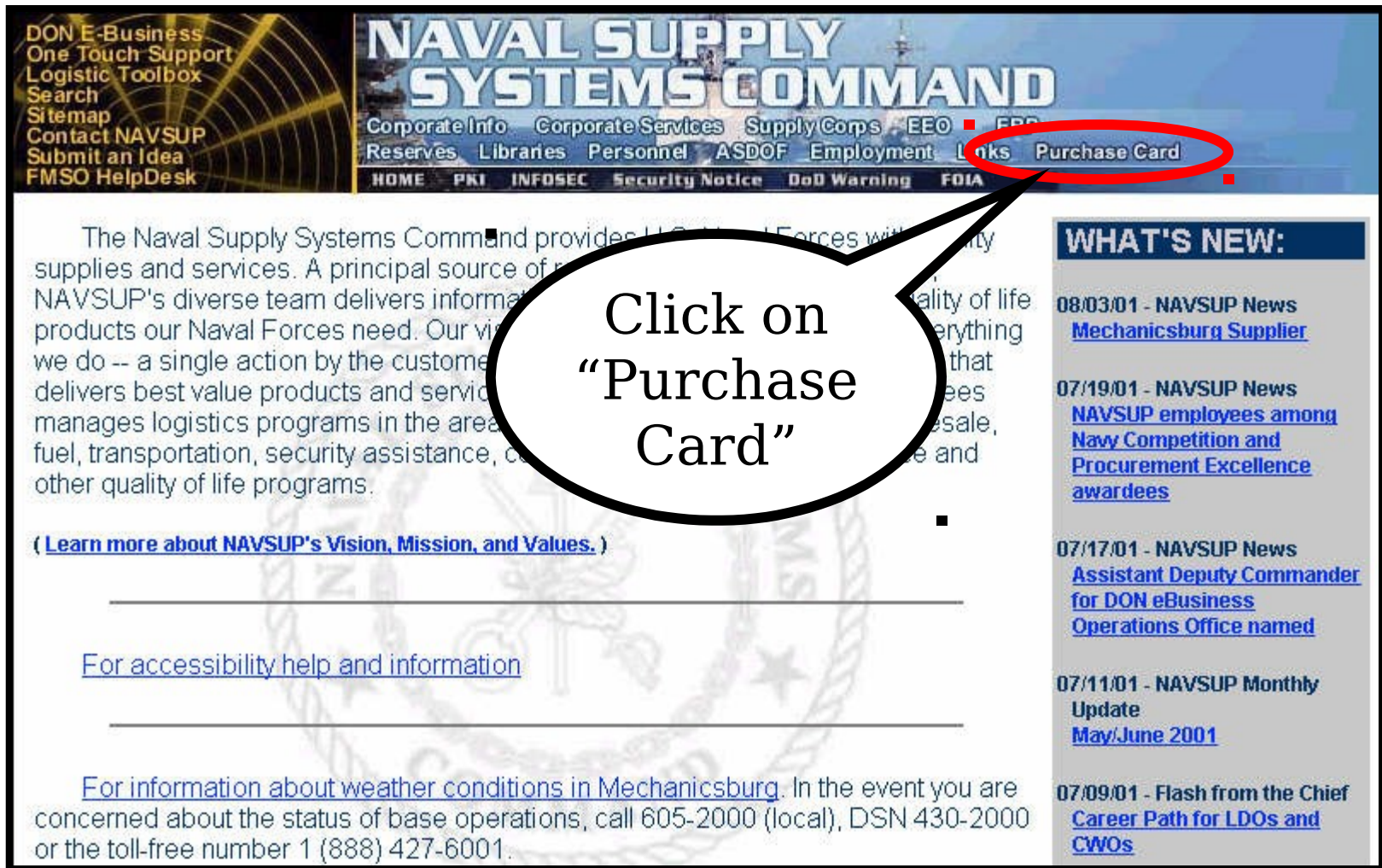
DON PC Support Tools

- PCPNs (Purchase Card Periodic Notices)

- NAVSUP Help Desk

- Training Resources

- CitiDirect

  - Dynamic Reporting

  - Canned Reports

- DON PC Program Website

Purchase Card Periodic Notices
(PCPNs)

- Program Office recognized need for better communication

- Issues arise that require immediate attention

- Because of the immediate nature of the content, email is deemed the preferred method of distribution

- Level 3 APCs/FMs will be notified. It will be their responsibility to ensure their activities receive the information.

- Posted to NAVSUP homepage

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NAVSUP Home Page

www.navsup.navy.mil

Purchase Card Index Page

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Purchase Card Periodic Notices

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New Help Desk Process

purchasecard_navsuphq@navsup.navy.mil

- DON PC Program Office devised additional process

- Technical issues referred to CitiDirect Help Desk

- Other issues referred to NAVSUP central mailbox

- NAVSUP Personnel Review & Respond

Training

- Prior to appointment as either an APC, AO or CH the individual must receive training on DON policies and local IOP

- Documentation of successful completion of required training must be retained by the individual and his/her APC.

- Refresher training required every two years

Training (Continued)

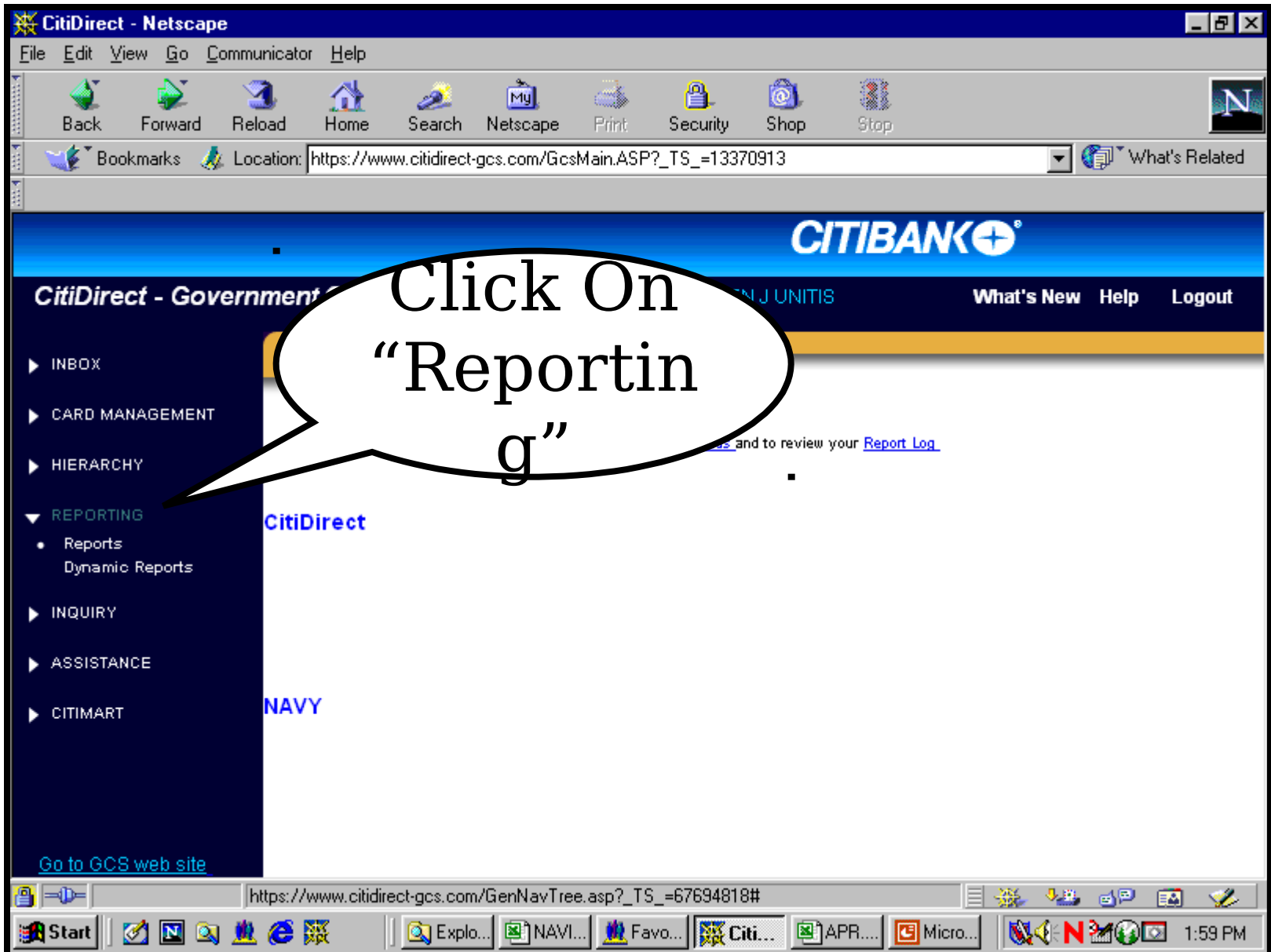**Prospective APCs/AOs/CHs must complete at least one of the following:**

- Navy/Marine Corps PC Training and Interactive Customer Assistance CD-ROM (also available online at http://www.nll.navsup.navy.mil/)

- NAVSUP Commercial Purchase Card Course for Micropurchasers

- Cognizant HCA approved PC course

- Training requirements can be satisfied by having completed one of the following:
    - (a) NAVSUP Simplified Acquisition Course
    - (b) CON 101, Contracting Fundamentals, or
    - (c) CON 202, Intermediate Contracting

Dynamic Reporting

- A ***recently fielded*** PC transaction analysis tool in CitiDirect

- Designed to give PC managers a quick and efficient ***look at oversight metrics***

- Currently available to ***all Level 3 APCS***

"Canned" Reports

- Available to **all APCs, AOs and CHs**
- 24 Pre-designed reports provide data on areas such as:
  - Account activity
  - Delinquency Status
  - Vendor analysis
  - User profiles
  - Invoice status
  - Statistical Summary Data

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DON PC Program Website

www.navsup.navy.mil

- Accessible by all program personnel

- Resources include:
  - Navy/Marine Corp. PC Training Tr
  - Copies of PCPNs
  - Desk Guides
  - DON Purchase Card Discussion Group
  - Link to CitiDirect and other PC related sites
  - Citibank Forms
  - News Items

Review of Activity's IOP

Local Discussion

- Review of Local IOP
    - Provide Copy for All Attendees
    - Review IOP Documentation Requirements
    - Review IOP Separation of Function

- APC Led Q&A Session

Introduction to CD-ROM Training

Introduction to the
Navy/Marine Corps Purchase Card Training CD-ROM
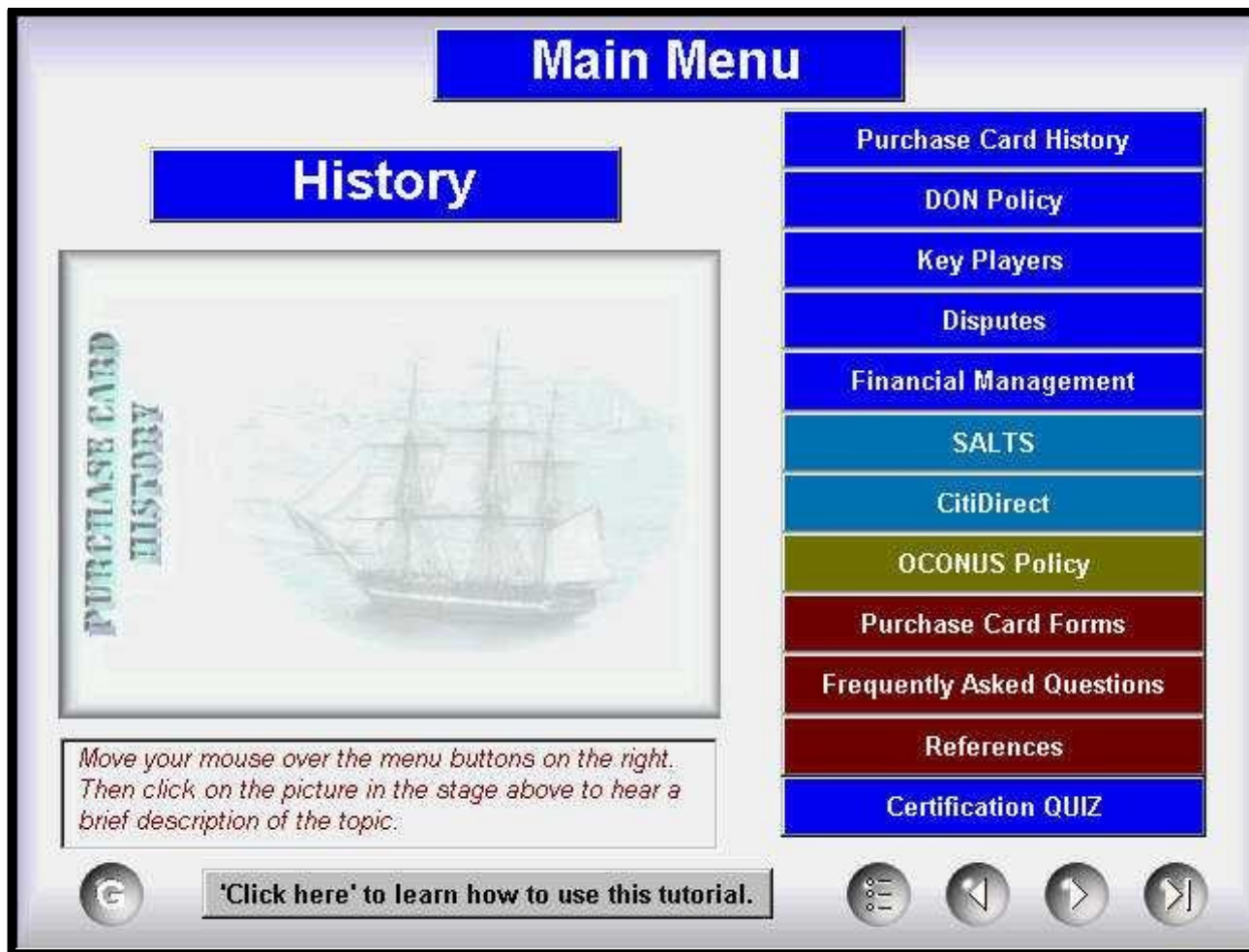
- Where to Get It.

- How to Start It.

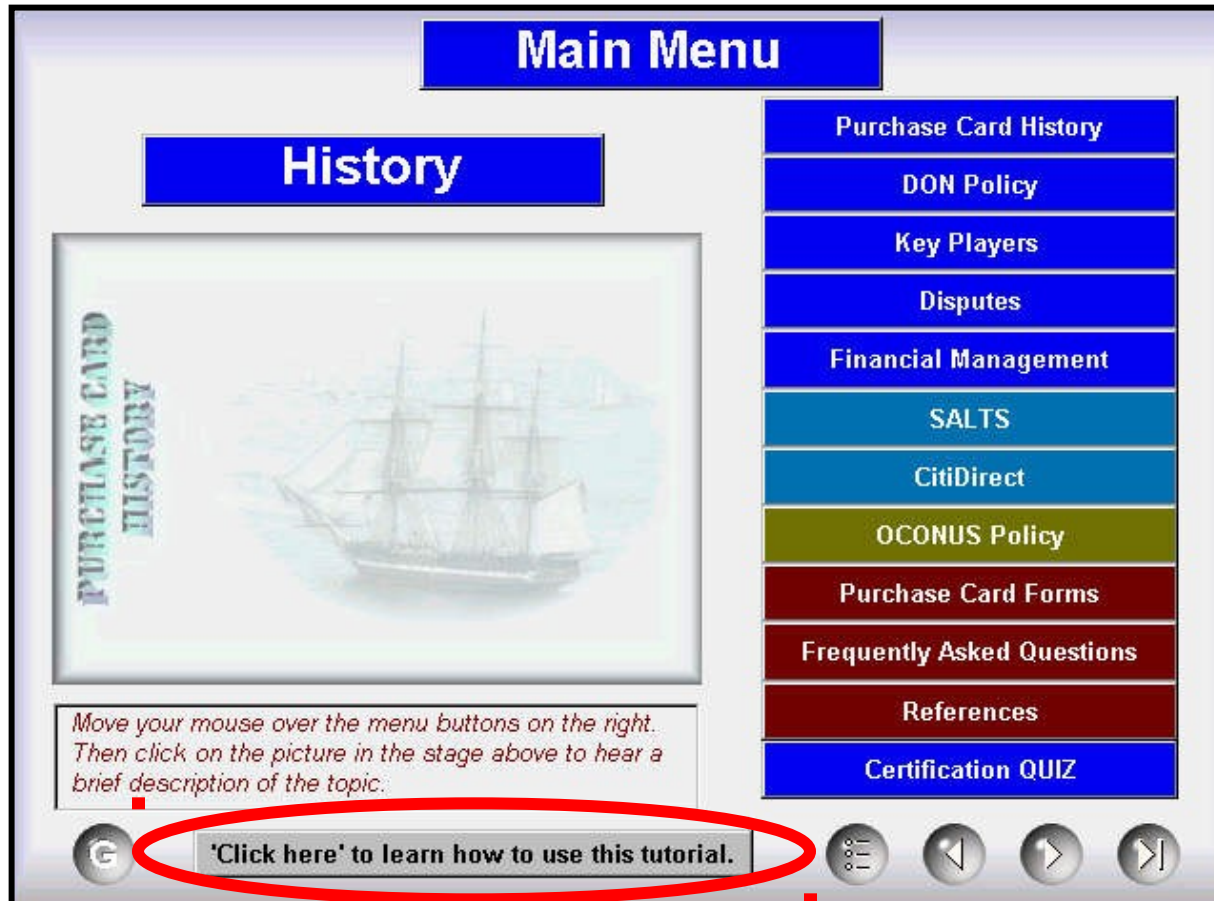- How to Use It.

- Certification Test.

Training CD-ROM Tour

- Distributed to All APCs, AOs and Cardholders

- Supports CitiDirect & WinSALTS

- Includes Certification Test

- Based on NAVSUPINST

Navy / Marine Corps
Purchase Card Training CD-ROM

Proceed to Next Slide

Training CD-ROM
Main Menu

Proceed to the Next Slide

Stand-Down Day Training Completion Report

Local Training Completion Report

- Everyone Complete CD-ROM Training

- Successfully Pass Certification Test

- Present Certificate to APC

- APC Report Training Metrics to Claimancy

DON Purchase Card Program
Training Stand-Down Day